Conic Metals Corp. Releases Shareholder Update

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Conic Metals Corp. (“Conic” or the “Company”) (TSXV: NKL), a base metals streaming and royalty company, provides the following update to shareholders from its Chairman, Mr. Anthony Milewski.

As we close out 2020 and our first full year of trading at Conic, I want to take a moment to provide an update to our shareholders and partners. With few nickel producers listed on the Toronto Stock Exchange, Conic is a unique vehicle providing shareholders leverage to the price of nickel and cobalt through our interest in the producing Ramu nickel mine as well as royalties on quality Canadian-based nickel sulphide deposits – Dumont and Turnagain.

Ramu is one of the top performing nickel mines in the world and is on pace to exceed the mine’s nameplate capacity of 32,600 tonnes of nickel per annum for the fourth year in a row. Cash costs at Ramu net of by-products is approximately $2.00/lb. of nickel, making it highly profitable at today’s nickel prices and giving shareholders leverage to nickel price moves. At current nickel prices, Conic is on track to repay its Ramu operating debt in 2021. Once the operating debt is repaid it will entitle Conic to 35% of its attributable cash flow, a milestone event for the Company and giving management the opportunity to explore a share buyback and/or dividend. MCC, our joint venture partner at Ramu for over 13 years, continues to prove itself as one of the top operators of nickel projects in the world and a great partner.

We are also encouraged by the progress at two of our important royalties. Both Dumont and Turnagain are two of the world’s largest undeveloped nickel sulphide projects which are located in tier one mining jurisdictions. Going forward, it is unlikely the market will fund new large capex-intensive HPAL projects that were prone to massive capital cost overruns in the last cycle, and instead focus on tier one nickel sulphide projects such Dumont and Turnagain. As the global energy transition continues, we believe that the Turnagain and Dumont projects have the potential to be low carbon footprint nickel mines and critical suppliers to OEMs and battery makers for decades to come.

We are excited about Conic’s portfolio. Its unique mix of producing and development nickel projects provide investors with leverage to nickel price moves. Moreover, the balance sheet of the company will be transformed once the Ramu operating debt is paid down and the company begins receiving its first material cash flow from Ramu.

Reflection on the 2020 Nickel Market

The year started with great anticipation by market participants that nickel would finally break out in response to continued growth by the EV sector and increased demand for nickel-rich lithium-ion batteries. However, the Covid-19 pandemic which hit the global economy in full force disrupted these estimates resulting in an initial sell off in nickel, like most other commodities, but by the end of the year the Nickel price was back at levels seen in late 2019 of close to US$8.00/lb.

As the world begins to emerge from the global pandemic and economies recover, the nickel market again is looking to EVs to drive future demand. Macquarie recently reported that at the end of October European EV car sales were up 119% over 2019 and global EV car sales are up 27%. This bodes well for nickel producers of battery suitable nickel (such as Ramu) as demand for this material is expected to strengthen in the years ahead. Nickel-rich lithium-ion batteries appear to have taken a stronghold in the industry with all major OEMs committing to lithium-ion as the power source for their slated line up of EVs.

What is especially interesting is that while the LME price of nickel has remained essentially flat on a year-on-year basis, nickel intermediates such as mixed hydroxide (MHP) or mixed sulphide (MSP) are

realizing better pricing as lithium-ion battery manufacturers turn to this raw material. MHP which sold for less than 80% of the LME metal price in early 2020 is now being contracted at 80-85% of metal value according to independent authorities such as Benchmark and Macquarie. Similar circumstances are dictating terms for MSP and other nickel bearing materials.

As we move into 2021, we anticipate that with a successful retreat of the pandemic and a return to normality in global economies the demand for EV’s will continue to accelerate. Conic is uniquely positioned to give investors exposure to that move through its interest in a producing nickel mine and its royalty portfolio.

Sincerely,

Anthony Milewski & the Conic Team

Corporate Update:

As disclosed in the Company’s quarterly MD&A, in Q3 2020 Conic successfully divested of its interest in two exploration projects in Papua New Guinea which is expected to save the Company close to US$350k on an annual basis. This was in addition to the C$6.9 million of cash the Company added to its balance sheet with the monetization of its equity interest in Giga Metals Corp. in September.

The Company has granted an aggregate of 3,420,000 incentive stock options and restricted share units ("RSUs") to certain of its directors, officers, advisers and consultants. The incentive stock options granted are exercisable at $0.40 per share for a period of five years expiring December 23, 2025. Following the award of stock options and RSUs, the company currently has an aggregate of 8,343,333 options and RSUs issued and outstanding, representing approximately 9.8 per cent of its issued and outstanding share capital.

About Conic

Conic Metals Corp. is a base metals company offering direct exposure to nickel and cobalt, both being critical elements of electric vehicles and energy storage systems. Conic holds an 8.56% joint-venture interest in the producing, long-life and world-class Ramu Nickel-Cobalt Operation located in Papua New Guinea which provides Conic with significant attributable nickel and cobalt production. In addition, Conic manages a portfolio of 11 nickel and cobalt royalties on development and exploration projects in Canada and Australia. Conic will continue to invest in a battery metals-focused portfolio of streams, royalties and direct interests in mineral properties containing battery metals.

Cautionary Note Regarding Forward-Looking Statements

This news release contains certain information which constitutes ‘forward-looking statements’ and ‘forward-looking information’ within the meaning of applicable Canadian securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to: statements and figures with respect to the operational and financial results; statements with respect to the prospects of nickel and cobalt in the global electrification of vehicles; statements related to the repayment of the Company Ramu operating debt; statements related to the impact of COVID-19 on the Company; and statements with respect to the business and assets of Conic and its strategy going forward. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, most of which are beyond the Company’s control. Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements.

The forward-looking statements contained herein are made as of the date of this release and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise

them to reflect new events or circumstances. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No securities regulatory authority has either approved or disapproved of the contents of this news release.

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